

### Domestic Market Updates:

**Indian government is trying to sell 20 lakh tonnes** of wheat from its central pool stock through PSU's but the USD 300/MT floor price remains intact which may hinder the success of tender as Russia, Ukraine and Romania are offering wheat at USD 55-60/MT less than Indian price.

**According to traders local millers are buying wheat** at Rs 1400-1425/Q in Khanna region. Wheat is reaching Pune at Rs 1800-1825/Q, delivered basis from Kanpur region. Traders in Rajkot are sourcing wheat from Kota region at Rs 1800-1850/Q, delivered basis.

**As on 1st September, wheat stock in central pool** was 38.36 million tonnes which is lower than previous year 46.16 million tonne on the same date. Punjab and Haryana hold the maximum wheat stock at 14.48 million tonnes and 9.34 million tonnes respectively.

**As per IBIS data, India exported 1.31 lakh tonnes** of wheat in month of August, which is lower than 4.79 lakh tonnes exported in the same month last year. Around 42000 MT was exported to Sudan and 22, 685 MT was exported to UAE.

**Indian firm LMJ lost the bid for 50,000 MT** to Ismail food products for Bangladesh government wheat tenders. LMJ bid was USD 286/MT, CIF which lost to Ismail food product's USD 282.66/MT, CIF. Ukraine is the expected origin of wheat.

**Indian wheat can become competitive** in South East Asian countries due to weak rupee. Traders feel that if government reduces OMSS prices than they can compete with Black sea region. South East Asian countries have shifted to Black sea region from India due to cheaper wheat availability.

**Traders in Kanpur and Kosi region has revealed that** thin trading activities are taking place and panic selling of wheat activities were reported as traders anticipate bearish price sentiments. Wheat is reaching Delhi Rs 1570-1580/Q from Kosi region.

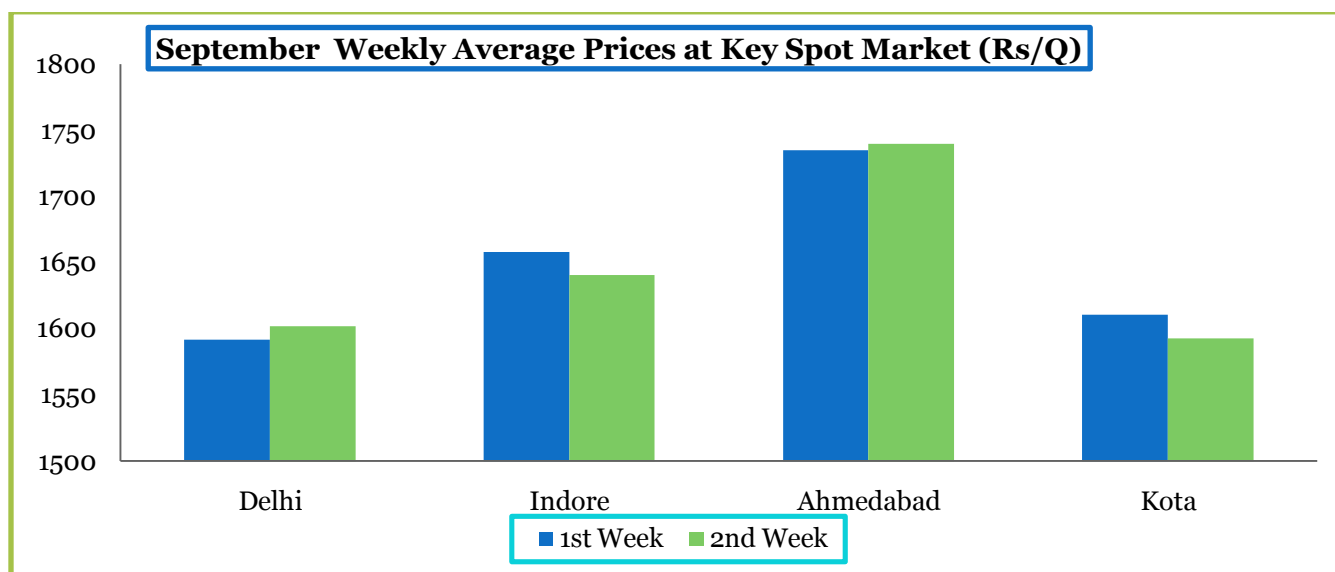
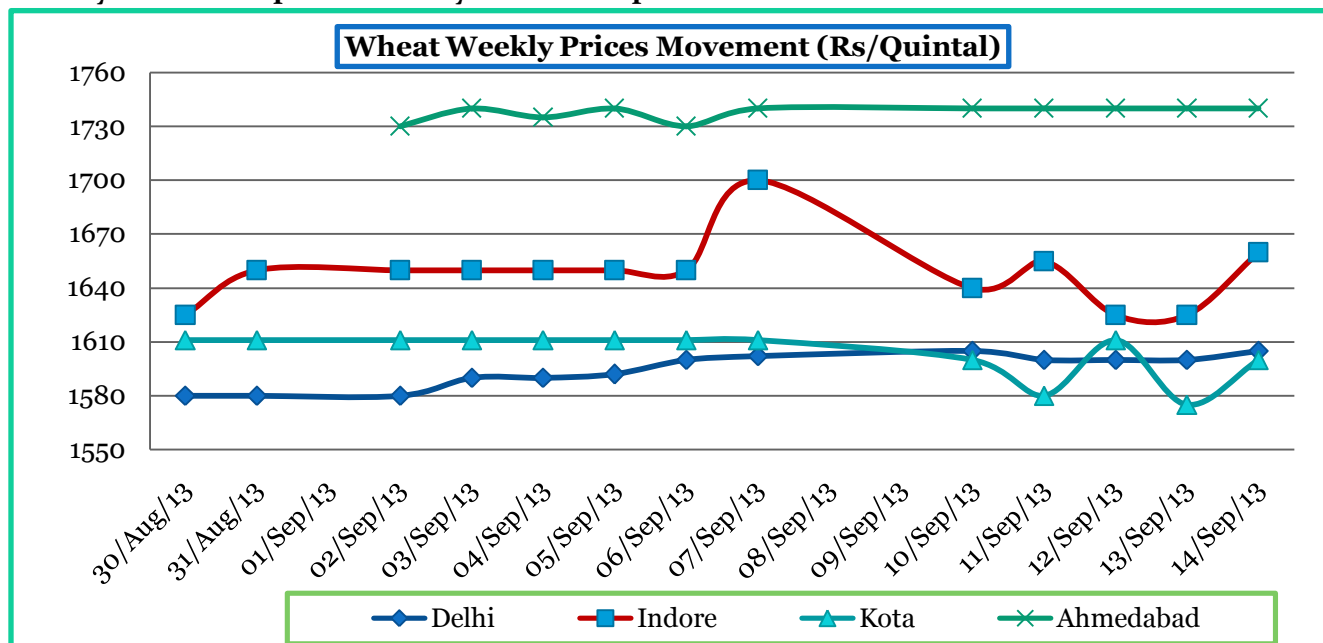
### Weather Watch: (Source-IMD)

Seasonal rainfall (in mm) from 1 <sup>st</sup> June to 14 <sup>th</sup> September, 2013			
Region	Actual	Normal	% Departure from LPA
<b>All India</b>	<b>845.20</b>	<b>807.40</b>	<b>5%</b>
East and North East India	947.60	1292.10	-27%
North West India	625.90	573.00	9%
Central India	1051.80	900.70	17%
South Peninsula	751.50	621.40	21%

### Weather Outlook for 18 Sept to 22 Sept 2013:

Rain/thundershower would occur at many places over peninsular India, Lakshadweep, Andaman & Nicobar Islands and northeastern states and isolated rains over east India and Vidarbha.

## Weekly Prices Comparison of key Domestic Spot Market:



Key spot wheat market traded steady to slighted firm owing to fresh demand from millers ahead of festive season.

STOCKS OF FOODGRAINS IN CENTRAL POOL AS ON 01.09.2013:	IN STORAGE	IN TRANSIT	TOTAL
RICE	202.49	3.24	205.73
WHEAT	379.75	3.85	383.60
<b>TOTAL</b>	582.24	7.09	589.33
COARSE GRAINS	0.27	0.00	0.27
SUGAR	0.002	0.00	0.002
<b>GRAND TOTAL</b>	582.51	7.09	589.60

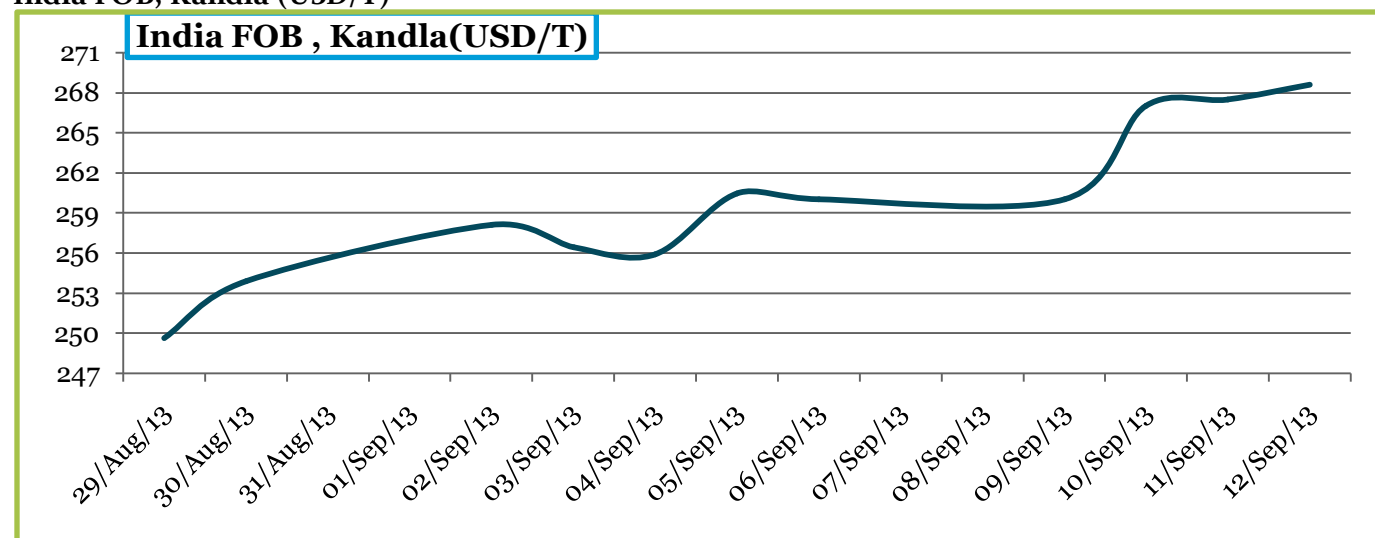
(Figures in Lakh Tonnes)

**FOB Value as on 14.09.2013 from various destinations at Kandla:**

Parity Calculation	Rajkot	Kota	Begusarai	Indore	Kosi	MSP	ECO.Cost
Basic cost of wheat (Rs/ton)	15750	15000	14300	16000	15000	13500	19100
Port and Handling Charges /Loading /Unloading /Clearing (Rs/ton)	500	500	500	500	500	500	0
Local transport, port warehousing, labour charges, shortage	700	1150	1900	1450	1550	1200	0
Indian FOB (Rs/MT)	16950	16650	16700	17950	17050	15200	19100
Indian FOB (USD/MT)	<b>265.76</b>	<b>261.05</b>	<b>261.84</b>	<b>281.44</b>	<b>267.33</b>	<b>238.32</b>	<b>299.47</b>
Insurance @ 0.1%	0.27	0.26	0.26	0.28	0.27	0.24	0.30
Freight Charges (US \$/ton) to Chittagong	18	18	18	18	18	18	18
CIF (kandla to Chittagong)	284	279	280	299	285	256	317
INR	63.78	63.78	63.78	63.78	63.78	63.78	63.78
Russian Wheat FOB (USD/MT)	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>	<b>243</b>
Parity on FOB Basis (USD/MT)	<b>-23</b>	<b>-18</b>	<b>-19</b>	<b>-38</b>	<b>-24</b>	<b>5</b>	<b>-56</b>

**Spot Prices of Wheat at NCDEX Delivery Centers(Rs/Q)**

	14 Sept, 2013	Week ago 7 Aug 13	Month ago 14 Aug 13	Year ago 14 Sept 2012	Change over previous Year %
<b>Indore</b>	1575	1608	1610	1563	<b>0.77</b>
<b>Bareilly</b>	1575	1553	1540	1550	<b>1.61</b>
<b>Delhi</b>	1605	1606	1575	1564	<b>2.62</b>
<b>Khanna</b>	1646	1646	1646	1618	<b>1.73</b>
<b>Kanpur</b>	1560	1553	1520	1540	<b>1.30</b>
<b>Karnal</b>	1515	1500	1493	1600	<b>-5.31</b>
<b>Rajkot</b>	1634	1640	1601	1580	<b>3.42</b>
<b>Kota</b>	1600	1618	1616	1625	<b>-1.54</b>

**India FOB, Kandla (USD/T)**


**Wheat Export Monthly Data:**

	Wheat Export(Lakh T)	Average FOB Quotes(USD/MT)	CBOT Average Quotes (USD/MT)
<b>Sept 11- Mar 12</b>	<b>7.38</b>	<b>232.12</b>	<b>237.46</b>
Apr-12	1.17	236.89	235.13
May-12	1.93	252.15	236.73
Jun-12	4.13	256.64	245.82
Jul-12	2.88	296.12	318.27
Aug-12	4.79	310.07	328.89
Sep-12	9.39	314.48	326.52
Oct-12	6.62	312.11	317.84
Nov-12	6.90	320.19	317.04
Dec-12	4.96	326.70	299.60
Jan-13	7.81	325.04	282.26
Feb-13	6.48	324.11	270.06
Mar-13	7.92	303.64	262.31
<b>Total 12-13</b>	<b>64.96</b>	<b>298.18</b>	<b>286.71</b>
Apr-13	8.32	303.06	256.85
May-13	8.66	309.11	258.13
June-13*	5.91	291.51	252.7
July-13*	3.03	282.82	243.62
Aug-13*	1.31	265.67	240.16
<b>Total 13-14</b>	<b>27.23</b>	<b>290.43</b>	<b>250.29</b>

Source: DGCIS, \*Provisional Data (As per IBIS)

**Domestic Key Spot Market Price Comparison:**

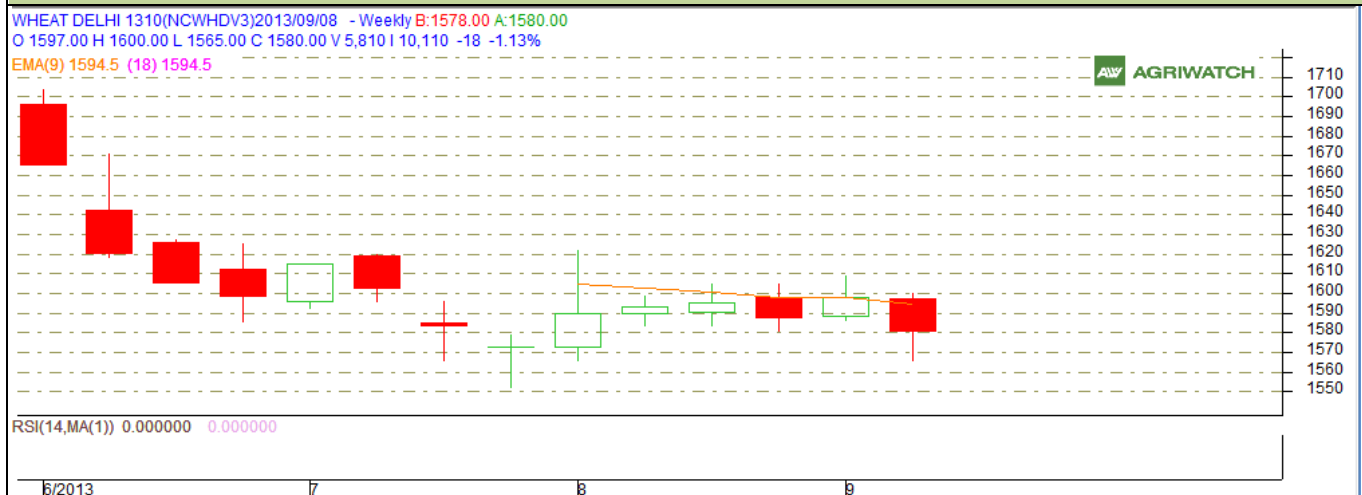
Centre	Market	Variety	Prices (Rs/Qtl)		Change
Delhi			<b>14.09.2013</b>	<b>07.09.2013</b>	
	Lawrence Road	Mill Quality	1605	1602	<b>3</b>
	Nazafgarh	Mill Delivery Loose	1550	1525	<b>25</b>
	Narella	Mill Delivery Loose	1550	1560	<b>-10</b>
Gujarat	Rajkot	Mill Delivery	1670	1565	<b>10</b>
	Ahmadabad	Mill Delivery	1740	1740	<b>Unch</b>
M.P.	Bhopal	Mill Quality Loose	1515	1500	<b>15</b>
	Indore	Mill Delivery	1660	1700	<b>-40</b>
Rajasthan	Kota	Mill Quality	1500	1515	<b>-15</b>
U.P.	Mathura	Mill Quality Loose	1460	1460	<b>Unch</b>
Punjab	Khanna	Mill Quality Loose	1430	1450	<b>-20</b>
Haryana	Sirsa	Mill Delivery loose	1500	1490	<b>10</b>

**Wheat Progressive Procurement:**

All figures in Lakh Tonnes		As on 01.08		
State	Total procurement in 2012-13 Season	In Marketing season 2013-14	In Marketing season 2012-13	Change from last year at the same time
Punjab	128.34	108.97	128.34	<b>-15.09</b>
Haryana	86.65	58.73	86.65	<b>-32.22</b>
U.P	50.63	6.83	50.63	<b>-86.51</b>
M.P	84.93	63.55	85.06	<b>-25.29</b>
Rajasthan	19.64	12.68	19.64	<b>-35.44</b>
Other	11.29	0.16	10.75	<b>-98.51</b>
<b>All India</b>	<b>381.48</b>	<b>250.92</b>	<b>381.07</b>	<b>-34.15</b>

Commodity: Wheat  
Contract: October

Exchange: NCDEX  
Expiry: 18<sup>th</sup> October, 2013

**Wheat (Weekly Chart)****Technical Commentary:**

- Candle stick chart depicts upward movement in the market.
- Rise in OI but fall in price indicates Short Covering.
- Prices closed below 9days EMA.

**Strategy: Sell near entry level**

Intraday Supports & Resistances			S2	S1	PCP	R1	R2
Wheat	NCDEX	October	1558	1564	1580	1610	1621
Intraday Trade Call*			Call	Entry	T1	T2	SL
Wheat	NCDEX	October	<b>Sell</b>	Below 1600	1580	1570	1606

\*Do not carry forward the position until the next Week.

**Domestic Weekly Outlook:** Market is likely to trade steady to slightly firm owing to renewed buying interest.

### International Market Updates:

**As per USDA WASDE report global** wheat production is expected to rise to 708.89 million tonnes from previous month forecast of 705.38 million tonnes due to higher expected production in Canada and EU.

**Global wheat consumption has been reduced** due to lower feed wheat consumption in Korea, Saudi Arabia and Australia. Global wheat ending stocks are expected to increase to 183.41 million tonnes from 181.68 million tonnes due to increase in production and lower consumption.

**GASC has bought 235,000 MT of Russian,** Ukrainian and Romanian origin wheat for 11-20 November delivery at USD 251.68-254.88/MT, FOB. Flour Mill in Oman has bought 30,000 MT of Russian origin 12.5% protein wheat for USD 285/MT, CNF for November delivery.

**ABARES has reduced wheat production** forecast for 2013-14 to 24.46 million tonnes from 25.39 million tonnes due to dry weather in eastern wheat belt and mixed weather in Western Australia too had an impact on yield.

**Russia has harvested 41 million tonnes of wheat from 60%** of sown area so far. 11.5% protein Wheat prices are steady from last week at USD 242-248/MT. Since 1st July Russia has exported 5.1 million tonnes wheat according to IKAR.

**GASC has bought 60,000 MT of Russian wheat for USD 251.80/MT,** FOB from Glencore, 60,000 MT of Russian wheat from Olam for USD 251.80/MT, FOB and 60,000 MT of Romanian wheat from Al Alamiya for USD 252/MT, FOB.

**South Korea's Samyang Milmax Corp, DongA One Corp** and Korea Flour Mills Co together has bought 10,000 MT of U.S. origin soft white wheat for USD 275.41/MT, FOB to be delivered between 10 Nov-10 Dec from Itochu.

**Ukraine's grain harvest is expected around 57.9 million** tonnes which is more than previous all time high of 56.7 million tonnes in 2011. Exports are expected to be more than 16% more than previous year. Ukraine has exported 1.4 million tonnes of wheat in July-August 2013.

IGC Wheat Balance Sheet

(Quantity in MMT)

	2008-09	2009-10	2010-11	2011-12	2012-13 Est.	Projection for 2013-14	
						01.08.2013	30.08.2013
<b>Production</b>	685	679	653	695	654	687	691
<b>Trade</b>	137	128	126	145	140	139	141
<b>Consumption</b>	645	652	657	696	673	686	688
<b>Carryover stocks</b>	173	199	194	194	174	176	176
<b>Y-O-Y change</b>	41	27	-4	0	-20	1	2
<b>Major Exporters</b>	69	79	74	69	48	50	50

## Indicative FOB Quotes:

	Variety	% Change over Prev. Year	12.09.13	Week Ago 05.09.13	Month Ago (Aug)	3 Months Ago (Jun)	Year Ago (Sept)
USA (Gulf)	SRW 2	<b>-19.36</b>	275.80	270.40	267.90	274.00	342.00
France	FCW3	<b>-26.94</b>	246.20	247.80	243.10	268.20	337.00
United Kingdom	Feed wheat	<b>-26.65</b>	240.60	242.10	238.00	261.60	328.00
Australia	CWRS	<b>-13.12</b>	301.00	297.00	296.00	353.14	346.44
Russia	SRW	<b>-23.99</b>	244.00	242.50	242.50	257.50	321.00
Ukraine	SRW	<b>-24.14</b>	242.00	240.00	240.00	255.00	319.00
Argentina	SRW	<b>-14.49</b>	295.00	284.00	285.00	275.00	345.00

Global wheat market is expected to trade weak on higher wheat production estimate of 705.38 million tonnes as compared to previous estimate of 697.80 million tonnes as per USDA latest estimate. IGC latest estimate of 691 million tonnes may keep market under pressure.

## CBOT FUTURES CONTRACT:

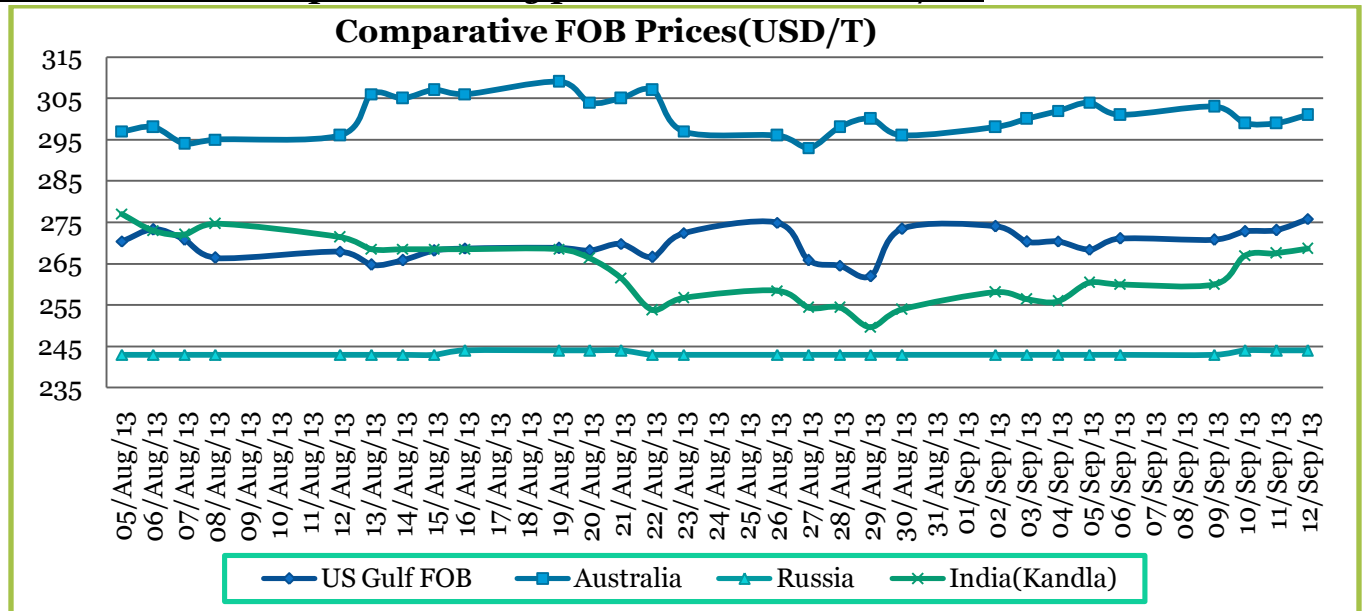
CBOT Futures Prices: Date: 13.09.13 (USD/T)							
CONTRACT MONTH	13 Sept 13	Week ago (6 Sept 2013)	1 Month ago (13 Aug 13)	3 Month ago (13 Jun 13)	6 Month ago (13 Mar 13)	1 Year ago (13 Sept 12)	% Change over previous year
13-Dec	235.69	237.98	235.69	259.66	267.19	323.86	<b>-27.23</b>
14-Mar	239.64	242.58	244.50	264.80	271.88	325.88	<b>-26.47</b>
14-May	241.57	245.61	243.95	268.57	272.70	320.65	<b>-24.66</b>
14-Jul	241.20	243.49	243.40	270.87	269.12	298.51	<b>-19.20</b>
14-Sep	243.49	245.97	246.53	273.53	270.68	294.10	<b>-17.21</b>
14-Dec	246.34	249.92	250.29	275.83	273.90	298.15	<b>-17.38</b>

## CBOT December 13 Future Chart:





### **International FOB prices Weekly price Movement (USD/T):**



### **International Weather update: (Source-USDA)**

**Canada-** Warm, showery weather maintained generally favorable conditions for reproductive to filling summer crops, as well as pastures, but the moisture was untimely for early harvests.

**Australia-** In Western Australia, widespread showers continued to benefit winter grains and oilseeds, which are in or nearing the reproductive stages of development. Lighter, more widely scattered showers fell across southeastern Australia, maintaining adequate moisture supplies for wheat.

**Argentina-** A late-week warm up spurred growth of winter grains, although the warmth raised concern for crops having limited moisture for normal crop development. Weather persisted in most areas during the transition from unseasonable cold to unseasonable warmth, and most areas are in need of rain as crops begin to add vegetative growth.

**Russia and Ukraine** –Yield prospects for filling summer crops remained below average (particularly in eastern Ukraine and Russia’s Southern District), although an approaching storm at week’s end was promising to provide much-needed soil moisture for winter wheat planting.

### **International Weekly Outlook:**

*International market is likely to trade steady to weak on increased global output by USDA by 3 million tonnes to 708.89 million tonnes. Increased demand from China, Iran and Brazil might support prices in near term however in medium term market is expected to remain steady to weak.*

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